GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3051
ANSWERED ON:16.03.2001
IMPORT OF ACRYLIC YARN
VINAY KUMAR SORAKE

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government are aware that increase in import of acrylic yarn through Nepal has been posing a major threat to the domestic industry;

(b) if so, whether imported prices of acrylic yarn has gone down from Rs.156/- per kg to Rs.80/- per kg;

(c) if so, whether the installed capacity and utilisation capacity of the domestic acrylic yarn producers has declined;

(d) if so, whether the Acrylic Fibre Manufacturers of India have demanded to put the import of acrylic yarn on the negative list or imposed the quantitative restriction;

(e) If so, whether the Government have called for introduction of safeguards by renewal of Indo-Nepal treaty;

(f) if so, whether this matter has also been discussed with other concerned industries to find a viable solution to protect the interest of domestic industry;

(g) If so, the steps being taken in this direction; and

(h) the time by which final decision in this regards likely to be taken?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI OMAR ABDULLAH)

(a) to(h) : Representations have been received from Forum of Acrylic Fibre Manufacturer`s, Ludhiana Spinners Association and others against import of acrylic yarn from Nepal under Preferential Trade Regime provided by Indo-Nepal Treaty of Trade giving access to the Indian market free of basic customs duty and quantitative restrictions for all articles manufactured in Nepal. Through these representations it has been brought to the notice of the Government that as a result of increased import of acrylic yarn from Nepal, the installed capacity and utilisation capacity of domestic acrylic yarn producers has been adversely affected. It has also been suggested, inter-alia, that import of acrylic yarn from Nepal may be put in the Negative List to withdraw facility of duty free entry. No mention has however been made in these representations that import price of acrylic yarn has declined.

Similar representations have also been received in respect of import from Nepal of items like vegetable oils, plastics and articles thereof, copper and articles thereof, zinc oxide etc.

In the event of the above facility leading to a surge in the imports from Nepal, the Treaty provides for appropriate measures to be taken by Govt of India and Govt of Nepal to protect the interest of the Indian industry.Action has accordingly been initiated and improvements in the Indo-Nepal Treaty of Trade would be considered at the time of its renewal in December 2001.